

19 April 2022

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission, Washington, DC

RE: Notice of Ex parte, Dockets CG 17-59, WC 17-97

Dear Ms. Dortch,

On 19 April, I met by phone with Ramesh Nagarajan and David Strickland, both Acting Legal Advisors in Chairwoman Rosenworcel's office.

I shared the attached presentation. The conversation was consistent with this and previous comments filed in this docket.

Regards,

/s/

David Frankel
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cc: Meeting Participants, via E-mail

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Robocall Mitigation



What Must We Do To Prevent Illegal Robocalling?

Gateway FNPRM, FCC Dockets 17-59 and 17-97

David Frankel, CEO

ZipDX LLC

19-April 2022

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Illegal Robocalling Kingpins



Nick Palumbo
Toll-Free Deals
USDOJ / SSA



John Spiller
JSquared Tel
\$225M FCC Fine



Dominic Bohnett
TCA VOIP
VT AG



Adrian Abramovich
\$120M FCC Fine



Abhijit Choudhury
Startel
IN AG

- Government investigations revealed each of these gentlemen were involved in millions of daily illegal robocalls.
- In each case they paid downstream voice service providers to send their calls onward to the called parties. (Ref. Indiana AG / Piratel Consent Decree, US Dist Ct IN S Dist 3:21-cv-00150.)
- Had they looked, those downstreams could have seen the suspicious nature of the traffic.

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Robocall Economics

- Americans receive 4 Billion robocalls every month; half are illegal

2 BILLION



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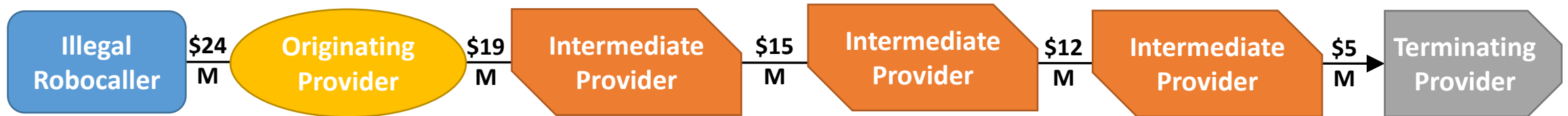
- Originating providers get paid about \$2 million/month by illegal callers in exchange for putting those calls onto the network.

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Trickle-Down Robonomics

- Typical robocalls hop through 4 or more providers en route to the victims



- Every provider in the path charges its upstream a fee for those calls
- In aggregate, the US telecom industry gets about \$75 million in revenue annually to deliver illegal robocalls to Americans.
- To the extent that we are successful in stopping these calls:
 - Providers will lose that revenue
 - Salespeople will no longer get commissions on that traffic
 - Larger providers that were carrying the calls will lose revenue & profits
 - The providers for whom this is their primary business will go bust



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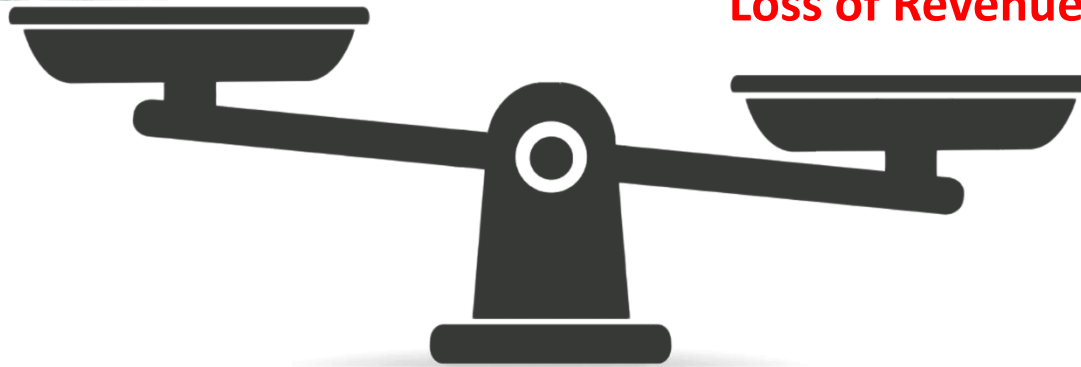
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Tipping the Balance

Payments for
accepting illegal calls



Daily Fines
Delisting From RMD
Loss of Revenue



- We need to make illegal robocalling less financially attractive to providers
- Originators & gateways often have nothing to lose
 - no legitimate revenue
 - limited assets
- INTERMEDIATE providers must have skin in the game
 - penalties are meaningful to them
- These providers have great visibility to much of the illegal calling

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What to Do?

- Per USTelecom, AT&T, Verizon, Lumen:
 - ALL providers in the call path must be held accountable
- No more “I’m just the middleman” excuse
- INTERMEDIATE providers must step up their game
 - All non-conversational traffic must be vetted
- Leverage the Robocall Mitigation Database & Plan mechanisms already in place
- Force every provider to acknowledge their responsibility & be financially exposed
- What do AFFIRMATIVE and EFFECTIVE mean?
 - Lead with examples
 - Providers can chart their own course, as long as it is AFFIRMATIVE and EFFECTIVE
 - Those earning millions of dollars off illegal calls cannot plead ignorance nor lack of resources



Call Laundering Hop-by-Hop

- The stream of calls from an illegal robocaller is called Dialer Traffic
- This traffic is characterized by:
 - Low Average Call Duration (under 60 seconds, vs. 3+ minutes for conversational calling)
 - > 95% of calls shorter than a minute (vs. 50% for conversational calling)
- But these can also be characteristic of LEGAL robocalling
- The best way for a provider to know the difference is to insist on understanding the details of the callers' campaign:
 - What is the purpose; what does the recording say; who are they calling?
 - What telephone numbers are they using? Vet & allow ONLY these numbers.
 - Know your traffic. This is broadcasting.
- The most common approach: DON'T ASK, DON'T LOOK



Don't Fall for Provider Deflections



Caught red handed!
You are sending
illegal robocalls!

I told my customer
to stop sending
those calls.

I do everything the FCC
requires me to do.

I respond to every
traceback request.

You only found one call. I
process millions daily.

Just last week I turned away
two suspicious customers.

If I got rid of all my illegal
robocallers, I'd be out of business.

I block invalid, unassigned
and unallocated ANIs.

All my customers are listed in the
Robocall Mitigation Database.

All my calls are signed
with STIR/SHAKEN.

Providers offering these excuses fail to stop mass illegal robocalling.

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New RMD Declarations

- ❑ **Option A: Conversational Traffic Safe Harbor.** The filer certifies that it accepts only conversational traffic, and that it monitors traffic from each customer daily to ensure an average call duration of at least two minutes. These measures are deemed to satisfy 47 CFR § 64.1200(n)(3) unless and until the filer receives notification (from the Commission, other law enforcement, the Registered Consortium for traceback, or another credible source) that illegal calling has been identified. The filer has detailed its applicable monitoring and record-keeping in the attached Robocall Mitigation Plan.
- ❑ **Option B: Non-Conversational Traffic.** The filer may elect to accept non-conversational traffic from some customers (that is, traffic that has an average call duration less than two minutes). The filer certifies that the attached Robocall Mitigation Plan details specific measures it takes to ensure all calls it accepts are legal, including verifying that calling line identification is not misleading or inaccurate and that customer calling practices and messages are compliant with regulations. Should illegal calling be detected, the filer understands that it may be liable for penalties associated with such traffic, as well as delisting from the Robocall Mitigation Database, even absent a prior notification, regardless of the role the filer plays in the call path.

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Cheapest Ways to Avoid Illegal Robocalls

- A provider can accept CONVERSATIONAL traffic ONLY
 - For each call source, monitor ACD: must be > 2 minutes
 - Limit calls-per-second to historical norms
- If a provider wants to carry DIALER TRAFFIC:
 - Accept it ONLY on trunks dedicated to that traffic
 - Know the details of each campaign running through your platform
 - Vet, pre-approve, enforce and monitor the use of specific Caller-IDs (ANIs)
 - Intermediate providers impose these rules on their upstreams; apply KYC
 - Be certain your customers have appropriate compliance programs in place
 - Insist on indemnification or a bond should penalties be imposed
- Impose a zero-tolerance policy for violations
 - Callers and providers carrying dialer traffic must be up to the job
 - Monitor traffic proactively – do not wait for a traceback
 - React as you would for failure to pay or for prepaid balance dropping to zero

Hard to Game – Do the Math

- Example Robocaller makes 500,000 calls daily
 - Average call duration of 12 seconds
 - Total connect time = 100K minutes
- Concerned about ACD metric
 - He tries to hold calls up longer, but recipients still hang up
 - ACD goes to 30 seconds; connect time = 250K minutes
- He hunts for other traffic to blend with his robocalls
 - 100,000 calls @ 9.5 minutes each adds 950K minutes (VERY difficult)
 - Now his ACD is $(950K + 250K \text{ minutes}) / (500K + 100K \text{ calls}) = 2 \text{ minutes}$
- His costs have gone from \$200/day to \$2,400/day (@ \$0.002/min)

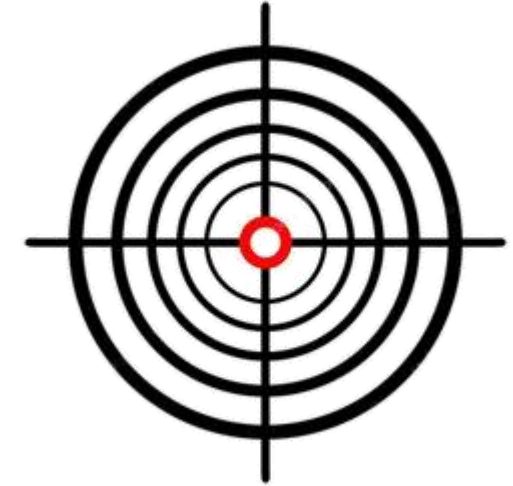


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Merits of This Approach

- Focuses on those that deal in high-volume calling
 - Most providers do not solicit or tolerate this traffic
 - Compliance burden falls on those few that choose to do so
 - They must have the appropriate expertise
 - Others must stick to conversational calling
- Simple & not dependent on problematic criteria
 - Is the source foreign or domestic?
 - Is the calling number USA or elsewhere?
 - Where does the provider fit in the call path (originator, gateway, intermediate)?
 - Is the caller a roamer or nomadic VOIP or international call center?
- Hurdles are low for legal callers yet sufficiently challenging for illegal callers
- Providers retain flexibility to use an approach suitable for their circumstances
 - Whatever they choose HAS TO WORK
- FCC can augment by providing suggestions and sharing best practices
- Introduces an economic risk to counter existing powerful profit motive



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